

# Illinois Commerce Commission Electricity Policy Committee Meeting Resource Adequacy



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# Ameren Energy Resources

- Ameren Energy Resources:
  - Market energy, capacity & related products
  - Own or market 5,000+ MW in MISO and PJM
    - Low-cost coal-fired fleet
    - Natural gas CTGs
- Homefield Energy:
  - 235 Communities in Ameren Illinois and ComEd
  - 500,000+ Customers



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# Well functioning and efficient Energy, Capacity and Ancillary Markets support Resource Adequacy

- Market signals should be transparent to incent investment at proper locations
  - Market timelines should match with investment decisions
  - Value for product delivered should be identifiable
  - Investment is tied to capacity, energy and Ancillary service revenues
- Competition with ample buyers and sellers will drive efficiency and provide overall lower consumer costs
  - Illiquid market may cause poor economic market signals
- Markets should provide customers with options and flexibility for meeting demand
  - Transmission
  - Generation
  - Demand Response
- Markets must be free from artificial barriers
  - System capability should be fully utilized for reliability & efficiency.
  - Market rules should not limit efficiency or create non-physical barriers between markets
- Markets should be free of market power and manipulation



# Illinois – Resource decisions and customer impacts may be affected by RTO markets and seams

## Plant in MISO:

### Capacity Values

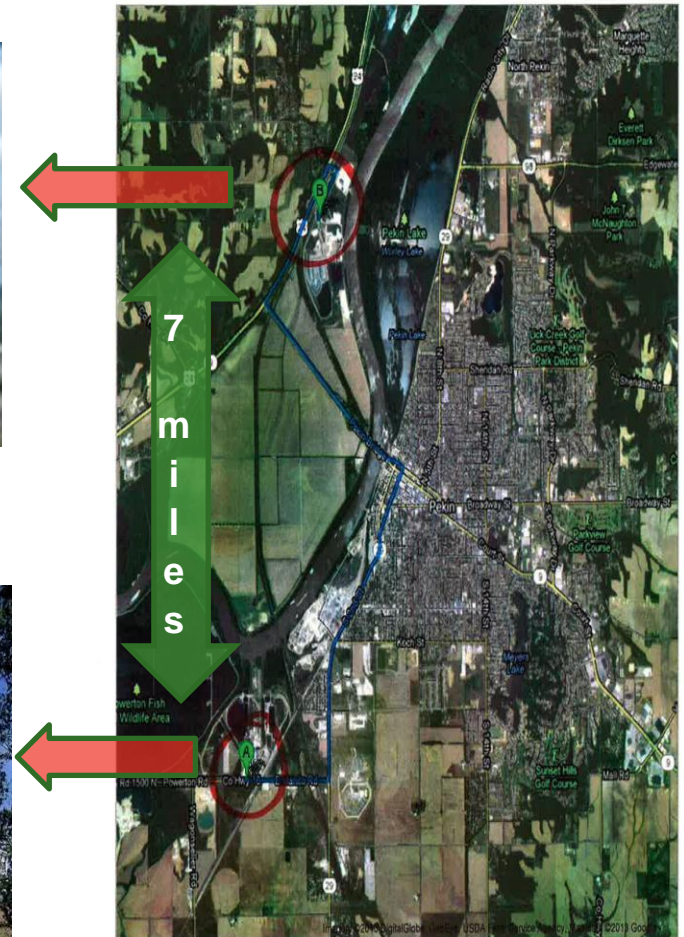
- PY '13-'14: \$ 1.05
  - PY '14-'15: \$ 5.40 - \$ 6.30\*
  - PY '15-'16: \$13.50 - \$16.50\*
- \* market indication



## Plant in PJM:

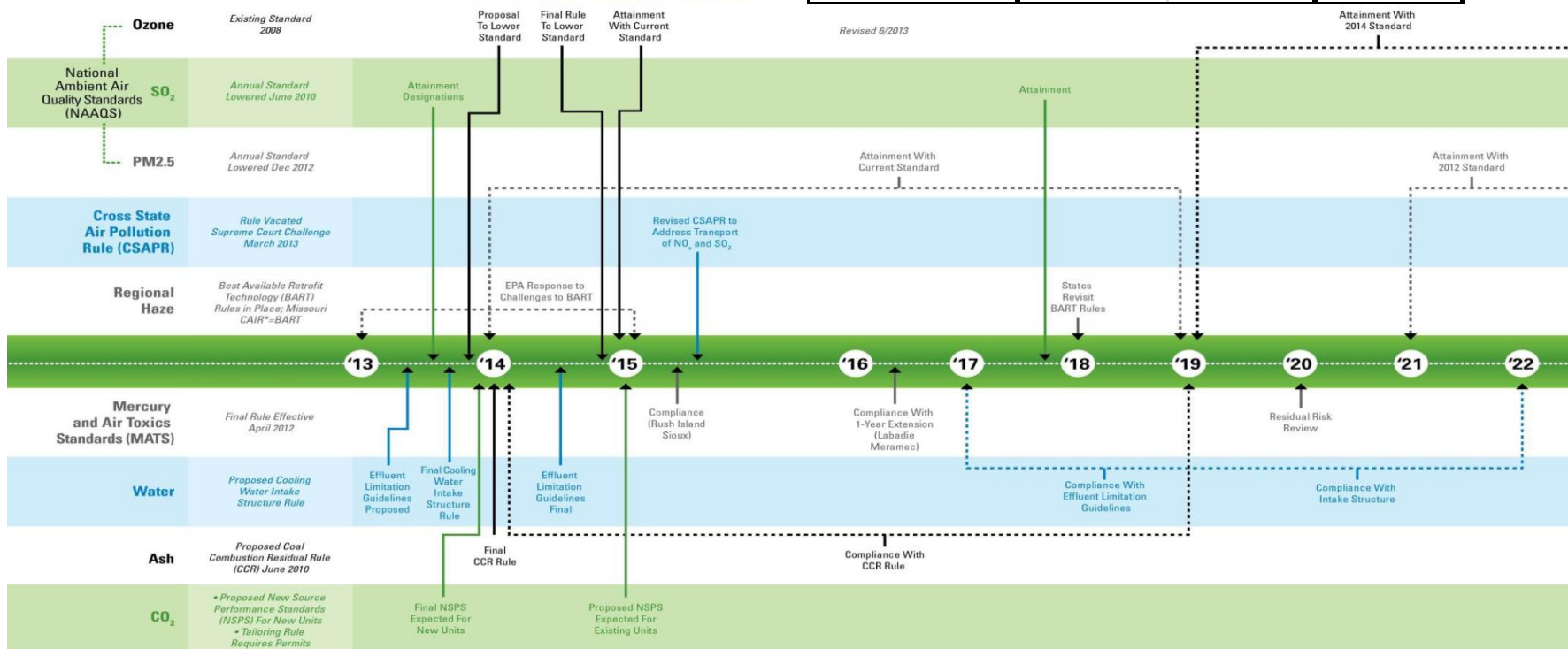
### Capacity Values from PJM Base Residual Auctions

- PY '13-'14: \$ 27.73
- PY '14-'15: \$125.99
- PY '15-'16: \$136.00
- PY '16-'17: \$ 59.37



# Environmental regulations and policies effect resource mix and availability

## Environmental Regulation



\*Clean Air Interstate Rule (CAIR) in place until CSAPR resolved.

## Planning Reserve Margins

	MISO		PJM
Planning Year	ICAP	UCAP	ICAP
2013-2014	14.8%	7.3%	20.2%
2014-2015	14.9%	7.3%	19.6%
2015-2016	15.0%	7.2%	20.2%
2016-2017	15.1%	7.2%	21.1%

Revised 6/2013

Attainment With 2014 Standard

## MISO: Environmental Regulation Compliance Concerns (7/15/13)

The most recent Quarterly Survey identified 6.2 GW of coal capacity already retired or slated for retirement, with another 3.6 GW whose plans are unannounced or unknown

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# Maintaining Resource Adequacy

- Resource adequacy requires good LONG TERM planning and coordination between RTO's and stakeholders.
- Reliability is the WHOLE system; not just a single RTO
  - Ensure that physical attributes of system govern; not administrative rules
- Proper market signals are ESSENTIAL.